

Governor's Commission on  
Economic Development & Job Creation



# **FINAL REPORT: TECHNOLOGY SUBGROUP**

**THURSDAY, SEPTEMBER 30, 2010  
RICHMOND, VIRGINIA**

## **Subcommittee Members:**

- Anne Gavin, Microsoft Corporation
- Mark Herzog, VA Biotechnology Association
- Caren Merrick, webMethods
- Robert Skunda, VA Biotechnology Research Park

## **Committee Focus:**

- Goal of best economic dev strategies = increase # of “firms per worker” (Harvard Business Review, 7/10)
- Advanced technology jobs = greater impact

## **Recommendation #1: Access to Capital**

- Advanced Technology Convertible Loan Fund
  - Loans for early-stage tech firms
- Refundable R&D Tax Credit
  - VA one of only 12 states without one. Refundable to early-stage, pre-profitable firms. Added % for research at VA university.
- “Emerging Technology Fund” (TX, NC)
  - Creates “innovation centers” to drive “deal flow”
- Commonwealth Research Commercialization Fund & CIT “Gap” Fund
  - Matching funds for Federal grants & early-stage capital support

## **Recommendation #2:**

### **Advanced Technology Relocation Fund**

- VA lacks incentive tools to attract small, high-tech, high-growth firms (20 or fewer FTEs, etc)
- Funds to relocate HQs of high-growth, advanced tech firms to VA
- Great marketing message: Advanced tech firms want to move to Virginia

## **Recommendation #3:**

### **VA “Wet-Lab” Development Fund**

- VA lacks available space - Jobs lost to rival states
- Unique role for public sector in lab development
- Wet-Labs included in Virginia’s Capital Outlay Plan
- Recommendation: Invest in a wet-lab construction and loan guarantee revolving fund in the next statewide General Obligation Bond opportunity



## **Recommendation #4:**

### **Regional Technology Innovation Centers**

- Regional incubation and support network (ETF)
- Universities moving towards more translational research = commercialization and jobs
- Life science and other knowledge-based start-ups need additional support to survive “valley of death”
- Commercialization Centers would help incubate “deal flow” and promote investment opportunities
- Leverage state support with local & private resources

## **Recommendation #5:**

### **Virginia “Declaration of Innovation”**

- High profile launch & branding opportunity
- Better promotion of Virginia’s attributes as a Commonwealth of innovation and commercialization
- Statewide R&D plan that promotes “translational” or “applied” research resulting in commercialization
- Promotion of new and existing technology incentives, “innovation prizes” and success stories of VA firms



## How could we fund the innovation agenda?

### Proposal: The “Venture Virginia” Initiative

- Insurance companies may pre-pay portion of 2015 taxes in return for tax credit (1-10%)
- Credits may be used starting in 2015, 1/5th value each year for 5 years.
- Funds raised in 2011 to be invested in technology-based economic development initiatives to grow the innovation economy.